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POLITICAL AND SOCIOLOGICAL

REALITY, MYTH OF TANAKA FACTION ANALYZED

Tokyo KEIZAI TENBO in Japanese 1 Mar 82 pp 14-17

[Text] During the Sato administration, which was proud of its unprecedentedly long 7-year 8-month reign, Sato faction membership numbered 105 at most. When Sato was at his height as prime minister, after accomplishing the reversion of Okinawa and proudly displaying both material and spiritual prosperity as the prime ministerial faction, his faction achieved its maximum size. After Sato retired, the faction was roughly divided into the Takeo Fukuda and the Kakuei Tanaka factions. The Sato faction itself disappeared.

The Kono faction of Ichiro Kono, who consolidated his faction with his well-known forcible leadership, also split after his death into the Morikiyo (after the late Morikiyo) and the Nakasone factions. In the case of the Ikeda faction (the Kochikai), which both it and others admitted to be the conservative mainstream, the second boss, Shigesaburo Maeo ended his lonely life after undergoing various troubles, including a coup by Masayoshi Ohira.

Furthermore, Takeo Miki, who said that he "brought up each member with great care," was removed from the position of leadership by the bloodless revolution of Toshio Komoto. Further retracing history, the Kishi faction led by Nobusuke Kishi split into the Fukuda, (Shojiro) Kawashima, and (Aiichiro) Fujiyama factions after Kishi retired from the prime minister's position. It is well known that these three factions experienced repeated "blood feuds" with each other.

Factions are subject to constant formation and separation in the political arena. Nonetheless, the Tanaka faction led by Kakuei Tanaka, who has been standing as a defendant in court once a week and moreover is said to be certain to be convicted, has been called an army corps, and has continued to increase its membership over time. It has now grown into a large corps of 109 members, surpassing the past record of the Sato faction. This is an "abnormality" that can hardly be imagined from the history of factional vicissitudes.

The total membership of the Tanaka corps is 109--64 House of Representatives members and 45 House of Councilors members. It means that the Tanaka faction has in its hands one-quarter of the whole LPD.

"The Lockheed incident has weathered. Unlike the time right after Tanaka's arrest, under the current recessionary conditions voices calling for the restoration of Tanaka have been rising like a flood tide among people," (Kozo Watabe, a Tanaka faction member from Fukushima's second district). This is hard to believe without reservation. "In order to meet the needs of constituents, it is best to belong to Tanaka corps" (Yoshikazu Kitamura, a Tanaka faction member from Hokkaido's fifth district). This is more persuasive.

"The most industrious faction is the Tanaka faction. The Tanaka faction is competent not only to draft policies but also to carry them out. Moreover, the Tanaka faction has candidates for future prime ministership. It has incomparably more capable men than other factions" (Yoshimasa Noroda, a member of the House of Councilors from Akita district). This is also very true.

"I have experienced considerable difficulties in elections. One Diet member alone cannot do anything. If I belong to Tanaka faction, I don't have to worry about elections" (Motoji Arima from Kagoshima's second district). This describes a politician's psychology very well. Arima was originally a member of the Miki faction. He switched from the Miki faction to the Tanaka faction after "the 40-day struggle" in 1979.

Moreover, the Tanaka corps has abundant funds. There is an overwhelming number of people who say that Tanaka faction members can get sunny posts. Each of above views closely describes the reality of the Tanaka corps.

A Careful Watch Both Inside and Outside the Party

The human network of the Tanaka corps takes on an amazingly exact pyramidal shape. The boss, Kakuei Tanaka, is the commander-in-chief, and the number two, Susumu Nikaido, is the supreme commander. Nikaido is followed by a dozen staff officers. They are Masumi Esaki, Chuji Kuno, Gen Tamura, Ken Harada, Atsuro Adachi, Shim Kanemaru, Noboru Takeshita, Tatsuo Ozawa, Koten Kameoka, Ganri Yamashita, Masaharu Gotoda, and Tokusaburo Kosaka.

Furthermore, Shigeyoshi Saito, Keizo Kobuchi, Jutaro Komiyayama, Ryutaro Hashimoto, and Joji Omura, who have already had the experience of being cabinet members, although the number of times they have been elected is still small, take care of the younger members. Yuichi Koori and Masatoshi Tokunaga, the current speaker of the House of Councilors, as the upper house leaders of the Tanaka corps, keep the upper house members under control.

Furthermore, Yoshiro Hayashi, who became a politician after a career in MITI, controls the party's financial matters as the party's accounting manager. This is also the strength of the Tanaka corps. The number of Tanaka corps members in both houses who have held cabinet posts easily exceeds 30. This is incomparably more than the 20 or so of the Suzuki and Fukuda factions.

Yoshio Sakurauchi, former party secretary general, expressed regret over this, saying that "With the members of Tanaka faction, one or two cabinets can easily be formed. Since the Nakasone faction lacks talent, I envy the Tanaka

faction." Takeo Miki also admitted that "Putting aside whether they are good or bad, there certainly are many 'competent' men in Tanaka faction."

Even the Fukuda faction, the second largest faction, unavoidably looks inferior compared with all the crafty old fellows of the Tanaka corps. Among the 12 samurai of the Tanaka corps, those seeking the prime minister's position in the future are Takeshita, Yamashita, and Kosaka, who enjoys Tanaka's confidence even though he is "an outside lord." As discussed later, if a crack were to occur in the unity of the corps, it would be caused by discord among these three.

In order to suppress criticism of Tanaka within the LDP after the Lockheed verdict is delivered, Tanaka has made Nikaïdo secretary general and Takeshita deputy secretary general. By making Hideo Utsumi chairman of the Diet Steering Committee and Gen Tamura chairman of the Diet Policy Committee, Tanaka is fully prepared to counter the opposition parties' criticism. Because Hayashi is the party's accounting manager, he can pass to the corps clear information about the LDP's sources of fund for the next House of Representatives election. Deputy Secretary General Takeshita is said to be the LDP member most knowledgeable about election campaigns. He also has a reputation for skillfully maneuvering the opposition parties. He scouts new faces for the corps throughout the country. Furthermore, he listens to the requests of corps members and shrewdly helps them to get the posts that they desire.

He even treats well pro-Tanaka and hidden pro-Tanaka Diet members. The positions that "backbenchers" badly want are not only cabinet posts but also the chairmanships of each division of the Policy Research Council, which are connected to rights, interests, and votes. If one becomes the chairman of a division, he will have control over bureaucrats.

Visible and Invisible Myths of the Tanaka Corps

The Tanaka corps is called the "Tanaka general hospital" and can promptly treat any issue, whether it is agricultural or public works. It is because Tanaka faction members hold many positions of this sort and have control over bureaucrats in their hands. The politician's psychology that one can accomplish one's work by belonging to the Tanaka corps is now deeply rooted among the Diet members.

Another strength of the Tanaka corps is said to be that the faction takes good care of its members. Of course, Kakuei Tanaka's ability to collect money, or "alchemy," is enormous. In addition, the previously mentioned 12 Samurai also collect money as individuals and assume responsibility as the corps commissariat. Consequently, the Bon (summer) and year-end financial presents for its members are said to be approximately 1 million yen more than those of other factions. However, that amount in itself is not a sum extraordinarily larger than those of other factions.

The difference is that a huge amount of funds is provided to its members at election time, and all leading members of the corps systematically support

the "bee's testimony" by the former wife of Enomoto, however, the situation has been reversed and the Tanaka side is now cornered in a decisively disadvantageous situation.

The Tanaka side was compelled to change its strategy and started to delay the verdict, which will supposedly be delivered this fall. The Tanaka side said that it would fight by introducing a total of some 30 witnesses in regard to the prime minister's jurisdiction and the selection process for aircraft, including 10 new witnesses to substantiate Enomoto's alibi.

Since the factual examination of the incident is almost finished, and even the Tanaka side once insisted on hastening the trial, the new strategy is clearly a stalling tactic. In other words, the Tanaka side is resigned to and prepared for a guilty verdict in the first instance.

If he is to be convicted, when would the political disturbance be minimized? A verdict before the LDP presidential election this fall would be the most inconvenient for Suzuki's reelection. Next year, unified local elections will be held in April and then the House of Councilors election is scheduled for July. If a guilty verdict were handed to Tanaka before these two elections, its influence on the LDP would not be small. The Tanaka side seems to have decided that "the best measure" would be a verdict handed down after a double election of both houses in July 1983, which would be some time after August 1983.

Before and After the Verdict of the Lockheed Trial Which Is Attracting Attention

The problem is that events are in the hands of the judiciary, where political power cannot easily extend. It is very possible that the court will conduct the trial in a strict manner as long as it can avoid the criticism that the "inquiry has not been sufficiently thorough." How long can the Tanaka side stall the verdict? This will delicately influence the destiny of the Tanaka corps.

Putting aside the issue of when a verdict will be handed down, if Tanaka is convicted (and moreover the possibility of a prison sentence is great), what will happen to the Tanaka corps?

Naturally, Tanaka himself will immediately appeal to a higher court and fight. However, if he is convicted, people, including the LDP members, will no longer consider Tanaka a defendant in a criminal case under dispute. Even for Tanaka it seems difficult to appear repeatedly on the front stage of politics as the commander-in-chief of the Tanaka corps.

In such a case, Ozawa and Yamashita, who are in the direct line of Tanaka, will push forward Nikaido, the number two man, and give him a chance to become prime minister, depending on the future course of the Suzuki cabinet. By doing so, they will try to maintain the power of the Tanaka corps. But, as long as Nikaido himself is labelled as a grey high official, opinion inside and outside of the LDP will be critical of him as in the case of Tanaka.

its candidates with concerted efforts. In the campaign of every candidate Kakuei Tanaka himself gives directions and Takeshita accurately grasps intelligence.

Although Kuniuji Kobayashi, who was elected in the House of Councilors election to fill a vacancy in Tottori district, was a truebred Miki faction member, the Tanaka corps strongly campaigned for him as successor to the late Jiro Ishiyaburi. Even though Komoto campaigned for him extensively, his assistance fell far short of that of the Tanaka corps. Because of that, Kobayashi could not formally join the Komoto faction after being elected. Instead, he is registered as a hidden member of the Tanaka corps. Newly joined Horie faces reelection next year. It is quite obvious that he has judged it most advantageous for reelection to join the Tanaka corps.

It is true that the Tanaka faction takes good care of its members, but we cannot ignore the other side of the faction, which is pressuring or almost threatening Diet members to join the Tanaka faction. Akio Hisama, who was first elected to the House of Representatives from Nagasaki's first district in the 1980 general election, ran with the recommendation and support of Nagasaki Governor Kan'ichi Kubo, who is in the direct line of Miki and Komoto. Komoto gave both material and spiritual support and had great expectations of him as the only new face in the Komoto faction. However, Hisama was threatened by the Tanaka faction, which said that "We will nominate our own candidate in the same district unless you join the Tanaka faction," and he was unwillingly compelled to join the Tanaka faction.

Reiichi Takeuchi of Aomori's second district is another example. Morio Kimura, who ran as a candidate of the New Liberal Club and was elected in the same district, left the New Liberal Club and joined the Tanaka corps. Out of a desire to become a cabinet member and fear of Kimura, Takeuchi reluctantly decided to join the Tanaka corps. Although he expected his longtime dream of becoming a cabinet member to be realized in the cabinet reshuffle at the end of last year, his dream was not fulfilled when Kosaka was appointed to a cabinet post.

Ryoichi Nagata (from Hyogo's second district), who has been elected 10 times and joined the Tanaka corps for the same reason of seeking a cabinet post, regretted the decision bitterly, as did Takeuchi. This is a story revealing one mythical aspect of the Tanaka corps.

The Tanaka corps is growing so powerful that it seems unable to hold back its horses, and seems to be saying "Get out of the way! Get out of the way! The Tanaka corps is coming through." [Kobayashi Issa's haiku: "Little Sparrow, get out of the way, get out of the way! Mr Horse is coming through"] However, the corps' Achilles' heel is none other than the verdict in the Lockheed trial.

Until last summer, the Tanaka side mobilized many Diet members to testify in support of Enomoto's alibi and was considered to be in an advantageous position over the prosecutor. At that time, the Tanaka side hastened the conclusion of the trial. In fact, those who assumed "Tanaka's innocence" were the majority in the LDP. With the counterattack of the prosecutor and

Inevitably, the one rising upward is Takeshita, the prince of the Tanaka corps. Along with Kanemaru, Takeshita once pushed for a change of within the LDP and incurred boss Kakuei's wrath. Takeshita, who was ordered to "swab the deck," accepted a low-ranking position as deputy secretary general and has been energetically working on party business. Such a Takeshita is highly evaluated even by people outside the Tanaka corps. The Takeshita-Kanemaru line will certainly be rising upward.

Tanaka himself, although he once accused Takeshita of being "an unfilial son," treats him highly and even seems to indicate that he depends on him for his restoration.

If Takeshita were to control the Tanaka corps for boss Kakuei, those who would be displeased are in Tanaka's so-called direct line--Nakaido, Ozawa, and Yamashita. On the other hand, most younger members would follow Takeshita. There is no assurance that Kosaka would not gather a group of outside lords and form a faction.

Discord between the prime ministerial candidates, Takeshita, Yamashita, and Kosaka, may lurk beneath the surface. Then, one day the Tanaka corps, which is proud of its iron unity, will certainly be destined to follow the main line of LDP factional history, which has been the repeated formation and separation of factions.

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ECONOMIC

GOVERNMENT, LDP DIFFER ON TRADE FRICTION REMOVAL

OW011419 Tokyo KYODO in English 1241 GMT 1 Apr 82

[Text] Tokyo, April 1 (JIJI PRESS)--A divergence of views has emerged between the government and the ruling Liberal-Democratic Party on ways to remove trade friction between Japan and the United States and West Europe. Differences are especially marked between the prime minister's office and LDP leaders, according to some observers.

The difference in views emerged during the general meeting of the Research Institute of Japan held in Tokyo on March 12. During the meeting, LDP secretary-general Susumu Nikaido "unofficially" proposed that Japan call for the establishment of a "new Tokyo round" structure to replace the present Tokyo round multilateral trade talks forum and set up new international rules for the trade and services sectors.

On the same day, Rokusuke Tanaka, chairman of the LDP's policy affairs research council, announced his "free zone" concept during a study meeting of ruling party members. "We can no longer pursue our present trade policy," he said. "We have to change our way of thinking...now is the time for us to completely liberalize trade..."

The "free zone" concept is different from a "free trade zone" and aims at fully opening the Japanese market to foreign products. Tanaka's idea apparently is to turn Japan into another Hong Kong.

Nikaido and Tanaka did not elaborate on their proposals, but Foreign Minister Yoshio Sakuruchi expressed support for the "new Tokyo round" concept and said he would sound out American opinion during his trip to the United States from March 20 to 25. And while there have been no announcements of support for the "free zone" concept, Tanaka aides have reported some government and LDP sympathy for the idea.

Both Nikaido and Tanaka believe that Japan must announce major measures for removing trade friction before the opening of the Versailles summit meeting on June 4. They hope to ease trade problems through the implementation of their respective proposals.

Nikaïdo's "new Tokyo round" suggestion was short-circuited, however, when the prime minister's office on March 18 announced that it would not bring up the idea for a new round during the summit meeting.

Officials of the prime minister's office reportedly prefer bilateral talks to multilateral conferences for settling such issues. Sources say the decision was reached after consultation with the foreign office, and with the agreement of Prime Minister Zenko Suzuki.

In view of his earlier support for Nikaïdo's and Tanaka's proposals, however, it is believed that Foreign Minister Sakurauchi is dissatisfied with the decision.

Nikaïdo himself, in a bid to play down the incident, says, "I did not seek the prime minister's approval on the 'new Tokyo round' concept. Mr Sakurauchi just told me he thought the idea [is] a good one."

Another LDP official expressed dissatisfaction with the decision reached by the prime minister's office, pointing out that chief cabinet secretary Kiichi Miyazawa was a little rude to Nikaïdo and others. He had much nerve knowing that Foreign Minister Sakurauchi supports Nikaïdo.

Meanwhile, in another development, Nikaïdo and other LDP leaders held meetings, both official and unofficial, with U.S. ambassador to Japan Mike Mansfield and other U.S. Government officials, in which they expressed their "frank views" on the matter. A leading LDP official welcomed the move, saying that this kind of diplomacy by Diet members could achieve things not possible by government officials.

The differences in opinion between Nikaïdo and Tanaka, and Suzuki, however, are not expected to cause particular difficulty in view of their close relations with the prime minister. Chief cabinet secretary Miyazawa, on the other hand, may find his position within the party adversely affected for quite some time ahead.

In order to remove trade friction with the United States and West Europe, it is essential that first of all the government and the ruling Liberal-Democratic Party overcome their friction.

CSO: 4120/235

AUTOMOBILE INDUSTRY'S SURVIVAL STRATEGY DISCUSSED

Tokyo ZAIKAI TENBO in Japanese Jan 82 pp 150-154

[Text] Only Seven of the World's Automobile Manufacturers Are Expected To Survive

In the world automobile industry, there is talk that by 1990, the number of automobile manufacturers in the world will be reduced to about seven. That is to say, out of about 40 major firms, most will either fold or come under control of the major manufacturers within the next 10 years.

The surviving seven firms, the so-called "Seven Samurai," would include General Motors (GM) and Ford of the United States, Toyota and Nissan in Japan and in Europe--West Germany's Volkswagen (VW), France's Renault and Italy's Fiat.

The world demand for automobiles has entered a period of slow growth. An average of a mere 2 percent growth per year is predicted, and there is a worldwide surplus of production capacity. Thus, weak manufacturers will suffer and either become bankrupt or be forced to sell out. In view of such conditions, a reorganization is underway in the world automobile industry. This is the strategy for survival among automobile manufacturers. Even the "Seven Samurai" which are likely to survive cannot afford to be indifferent. For example, GM and Ford in the United States and their management have modified their production system from full-sized to small-sized cars. However, they are suffering from the burden of large-scale development, high capital investment and poor sales and are unable to compete, in terms of performance and price, with small Japanese cars. They are running continuous deficits. The situation is similar in Europe, with VW and Fiat being driven into a precarious position.

On the other hand, Japanese auto manufacturers have been able to live through the international industrial war by concentrating on the production of small cars during the postwar period. Despite the fact that small cars yield smaller profits than full-sized ones, the Japanese have managed to establish a profitable production system with good quality and performance for the cars. This is evident from the fact that while both GM and Ford recently launched full-scale production of small cars, they are after all still unable to compete with Japanese cars.

Japanese Companies To Become the "Nucleus" of International Reorganization

Thus, it is very natural for Japan's automobile manufacturers, the leaders in small-car production, to become the "nucleus" of the reorganization of the international automobile industry. Even during the first stage, Japanese car manufacturers were involved in tie-ins with leading automobile manufacturers that took the world by surprise, such as capital investments between GM and Isuzu Motors (Toshio Okamoto, president), Ford and Toyo Kogyo (Yoshiki Yamazaki, president) and Chrysler and Mitsubishi Motors (Teruo Tojo, president). In addition there is technical cooperation between Honda Motors (Kiyoshi Kawashima, president) and England's BL and there are joint production talks between Toyota and Ford which have reverted to a clean slate.

In the second stage, the situation is similar. But unlike the first stage, it lacks the eccentricity of capital investment or total affiliation. Instead, development is in the form of partial affiliation or cooperation, while maintaining the joint development of technology, production of common parts and the mutual use of production facilities and sales outlets but remaining competitive.

This can be attributed to the realization that total affiliation, though acclaimed in the first stage, does not necessarily succeed, as witnessed by the Toyota-Ford negotiations. There is a pervasive feeling throughout the industry that a practical affiliation on a commercial basis, such as one between Honda Motors and BL for the licensed production of Honda cars, is more likely to insure success.

It must be noted that each country regards its auto industry as a basic strategic industry and there exists great political and social pressure against any tie-ins in which investments by foreign car manufacturers assume a large role. Therefore, any reorganization of the world's automobile industry, in the second stage, has no choice but to select a strict commercial affiliation based on "cooperation" and "competition."

As for the moves of Japanese enterprises, Nissan has virtually laid the cornerstone of international strategy. It has entered into business affiliation with VW; created a joint venture with Italy's Alfa Romeo for small-car production; made investments in (Motor Iberica), Spain's tractor manufacturer; constructed a plant for small trucks in the United States, and is looking into the construction of a small-car manufacturing plant in England. Currently, efforts are being devoted toward their further development. President Ishihara stated: "We have no further moves in mind. The first thing which must be done is to nurture international projects once the seeds have been sown."

With Eiichi Toyota of Toyota Motors and Shoichiro Toyota of Toyota Auto Sales as presidents of their firms, respectively, Toyota has begun an earnest study of possible international strategic moves. But as a result of the failure of its negotiations with Ford on a tie-in, it is, for the moment, shifting to tactics outside of international strategy.

President Eiji states, "Capital affiliation or joint production is not so simple. We will eventually be able to succeed by achieving a track record step by step on a commercial basis, such as mutual interchange of parts." That resembles the ways of Honda and is less glamorous but down to earth. This can be demonstrated by Toyota's plan to supply engines to Lotus, England's sports car maker, and talks with Spain's (Seato) company for the production of small KD cars.

Further, Toyota is characterized by its efforts to establish a production structure not with leading powers such as the United States and Europe, but with developing countries. Worldwide demand for cars is in a period of slow growth, but an average annual growth of 5 percent or more is predicted for the developing countries. Therefore, while no growth can be anticipated in leading countries, a high growth market can be expected in the developing countries and this is where Toyota is targeting. That is the reason behind the moves for the production of engines in Indonesia, of KD cars in India and of small passenger cars in Taiwan.

As for Isuzu and Toyo Kogyo, each has concluded capital affiliation with GM and Ford, respectively, and are expanding and reinforcing their ties, mostly by supplying auto parts. For now, both firms will probably do their utmost to strengthen these ties. A very strong possibility in the near future is the joint production of small passenger cars.

Complex Moves of Honda Motors

Attention then shifts to the remaining companies, Honda Motors and Mitsubishi Motors. Honda is the sole manufacturer of FF (front engine, front-wheel drive) cars in Japan. FF cars, known for their fuel efficiency, dominate the world's small-car market and America's GM and Ford are struggling to convert to the FF design. Herein lies the reason for Honda's superiority in the global small-car war.

Another plus for Honda is that it is the world's leading manufacturer of motorcycles. Therefore, its management is sound and it is the watchful eyes of the world's auto manufacturers. But Honda is already pursuing an independent international strategy. Its strategy is to construct a steady, long-lasting relationship in the small-car field making use of the experience it already has with motorcycles in the world market. As evidenced in the technological contract with England's BL for the licensed production of Honda cars, Honda apparently is not interested in an active involvement such as capital or total affiliation, but is aiming to expand and to strengthen its relationship on a commercial basis.

Honda Motors' annual production has reached 1 million units and while it has acquired the system for minimum mass production efficiency, it cannot afford to relax its efforts. Toyota's annual production is 3.3 million, and Nissan's is 2.5 million. GM's production capacity is 6 million against Ford's 3 million. The efficiency of mass production is very large in the automobile industry, and the numerical differences are beyond one's imagination. To exist in this world, Honda Motors' major problem lies in narrowing

such numerical differences. This is the starting point of Honda's global strategy.

Honda Motors has completed arrangements for the production of 85,000 cars yearly under licensed production with BL. It will begin the manufacture of 120,000 cars yearly from 1983 upon completion of its passenger-car plant in the United States. As stated above, it is steadily establishing a production base overseas. However, its annual production is a total of mere 1.2 million--still too weak for survival.

President Kawashima and other senior executives of Honda are now considering a tie-up with other European car manufacturers. Since it already has ties with BL of England, the next target would be the European continent. Honda's moves here are active but irregular. It is because Honda's primary interest lies not directly on four-wheeled cars but on the motorcycles which have a overwhelming competitive power. So far, Honda has reached an accord on the establishment of ties with a motorcycle manufacturing subsidiary of France's Peugeot Citroen including the mutual supply of engines. It is also discussing with Fiat, Italy's largest auto manufacturer, a tie-up with a motorcycle maker belonging to the Fiat group. Since there is already a tie-up between the two motorcycle manufacturers under Peugeot and Fiat, the entry of Honda Motors would represent a Japan-French-Italian alliance. The aim is to expand this affiliation on four-wheeled cars in the near future.

The senior executives of Honda who are steadily promoting friendship are saying, "At any rate, immediate strategic business affiliations are difficult because of the wide differences in the social and living environment between Europe and Japan. It is important first to understand each other by setting up commercial relations."

Honda Motors' next target is West Germany. If Honda could gain a foothold there, it means that Honda's influence would extend to England, France, Germany and Italy. It would become a Japanese auto manufacturer with a strong foothold in Europe. Judging from Honda's moves in France and Italy, there is no doubt that Honda is aiming for an enterprise with a branch for manufacturing motorcycles. BMW is one prospect. Honda's senior executives have denied such a plan, but judging from the movements of key executives of the two companies, the chances of realization are deemed very high.

Lately, there have been reports of a possible tie-up between Honda Motors and GM of the United States, but Honda's top officers have denied it saying it is "unfounded."

However, a business relationship is considered possible if benefits accrue to both sides on a commercial basis, such as through the supply of auto parts or the mutual interchange of licenses. At any rate, the thinking of Honda's senior executives seems to be: "The minimum structure for Honda's independent survival has been secured. Why is it necessary to bend over to GM at this time?"

The Capital Affiliation Between Honda Motors and Mitsubishi Motors

Meanwhile, in the case of Mitsubishi, its affiliate, Chrysler Corp of the United States, is still in a business crisis and Mitsubishi unquestionably is in the weakest position for survival in the global small-car war. Relations between Mitsubishi and Chrysler have been normalized with the revision of contract to permit Mitsubishi to sell cars independently, eliminating the past practice of exclusive sales of Mitsubishi cars by Chrysler. As for Mitsubishi, it (Mitsubishi) was slightly able to alleviate Chrysler's burdens. Anxiety remains, however, for Chrysler's future which is still uncertain.

Mitsubishi Motors, therefore, considered establishing a three-way alliance comprised of Mitsubishi, Chrysler and Peugeot Citroen, as the latter has a capital tie-up with Chrysler. However, this is given a 50-50 chance of realization as it depends on Chrysler's recovery. Chances for a three-way alliance are said to be slim.

Recently, Mitsubishi Motors concluded a technological tie-up over engines with Porsche of West Germany. It is an indication of Mitsubishi attempting to strengthen its ties with European car manufacturers. It maintains strong ties with Daimler Benz of West Germany, in particular, so much that banking authorities speculate over a tie-up between it and Benz.

Amid the global restructuring of the automobile industry, a similar move also has to be advanced in Japan. There are now 10 auto manufacturers in Japan including truck manufacturers. Of these, Daihatsu Kogyo and Hino Motors belong to the Toyota group, Fuji Heavy Industries and Nissan Diesel to the Nissan group. Isuzu has a tie-up with GM. Suzuki Motors concluded a capital tie-up with GM and entered the GM group. Toyo Kogyo definitely belongs to the Ford group. The future strengthening and expanding of these structures are inevitable. However, detached from such structures are the two firms, Honda Motors and Mitsubishi Motors.

As Mitsubishi Bank is the principal bank for both Honda and Mitsubishi, there is talk of a total affiliation including a capital tie-up, between the two. However, no positive moves are yet seen on the part of senior executives of both companies. Rather, both are now devoting their efforts to solidify their base to become the third force following Toyota and Nissan, and as the restructuring trend of the world's automobile industry is yet unclear, it probably is just a rumor.

There is no question that the automobile industry is in a period of turbulence. Japan's economy requires that her automobile industry, nurtured as a basic industry and now the world leader, be supported and preserved. The problem has to do not only with the industry's survival, but to Japan's economic survival as well. For that reason, we cannot look away from the moves of Japan's auto manufacturers in the midst of the global auto industry's restructure.

9097

CSO: 4105/78

ECONOMIC

JAPAN ECONOMY BEGINS SLOW RECOVERY

OW061253 Tokyo KYODO in English 1151 GMT 6 Apr 82

[Text] Tokyo, April 6 KYODO--The Japanese economy has entered a slow recovery phase, paced by domestic demand, with no danger of a precipitous plunge, the Federation of Economic Organizations (Keidanren) said Tuesday.

This appraisal of current economic trends was given to justify Keidanren's opposition to the view emerging within the government that vigorous business-stimulating measures should be taken even at the risk of slowing the current administrative reform.

This view, typified by a call for stepped-up flotation of construction bonds for financing public works, mirrors growing concern in the business community about the prospects of the Japanese economy.

Keidanren thus reaffirmed its position that the administrative reform should take precedence over the stimulation of business. An advisory council, now studying measures for administrative reform at the request of Prime Minister Zenko Suzuki, is headed by Toshiwo Doko, former president of Keidanren, a grouping of Japan's major business organizations.

Keidanren's view on the current economic trends was formed at a meeting of its fiscal and monetary committee Tuesday.

The committee concluded that since there is no danger of a sharp plunge in the Japanese economy, the government's effort to ensure a business recovery should be limited to measures for helping individual enterprises and industries now in distress, such as small businesses and so-called "structurally depressed industries," Keidanren sources said. It thus opposed any overall package for regalanizing the Japanese economy as a whole, which would be financed by tax increases or stepped-up national bond flotation.

The sources said the committee based its view on a number of economic indicators. First, they said, petroleum prices have been on the downswing, while prices in Japan are displaying a stable tendency.

Secondly, inventory adjustment by businesses has been all but completed. And thirdly, a steady recovery is seen in domestic demand as represented by personal consumption and corporate investment in plant and equipment, the sources said.

On the basis of the committee's conclusion, they said, Keidanren will renew its appeal to the government and other quarters concerned to make a more determined effort to push the reform of the administrative and fiscal systems.

CSO: 4120/236

ECONOMIC

JAPAN REGISTERS TRADE SURPLUS IN FISCAL 1981

OW120817 Tokyo KYODO in English 0808 GMT 12 Apr 82

[Text] Tokyo April 12 KYODO--Japan chalked up a dollar 9.2 billion customs-cleared trade surplus in fiscal 1981 ended on March 31--the third biggest on record, the Finance Ministry announced Monday in a preliminary report.

The first black-ink figure in three years meant a drastic turnaround from a dollar 5.9 billion deficit in fiscal 1980.

Trade surpluses with the United States and the European community (EC) hit all-time highs of dollar 14.4 billion and dollar 10.2 billion.

However, Japan suffered a dollar 24.3 billion shortfall with the Middle East.

Fiscal 1981 exports were up 10.1 percent at dollar 151.9 billion, while imports were down 0.9 percent at dollar 142.7 billion--the first fall in six years. In the previous fiscal year, exports rose 29.0 percent and imports 19.5 percent.

Ministry officials said that exports showed double-digit year-to-year increases in the first seven months of fiscal 1981. But the growth slowed down to a single-digit from November through January 1982, turning negative in February and March.

Reflecting voluntary curbs on auto shipments to the United States and some European countries, overall motor vehicle exports declined 5.3 percent to 5,995,652 units for the first fall in three years. However, their value rose 2.3 percent to dollar 25.9 billion.

Auto shipments to the U.S. accounted for 1,773,000 units, off 7.5 percent, and those to the common market for 716,000, down 15.3 percent.

Steel exports remained almost unchanged at 29.1 million tons. Exports of ships jumped 36.6 percent to 11 million gross tons.

Shipments of video cassette recorders more than doubled to 8.4 million units.

Mirroring sluggish domestic demand, oil imports fell 8.2 percent to 227.7 million kiloliters. Their total value declined 2.1 percent to dollar 52.9 billion--the first drop in six years. Coal imports rose 7.9 percent to 78.9 million tons.

In March, exports fell 3.6 percent from a year ago to dollar 13,462 million and imports declined 2.5 percent to dollar 12,602 million.

The resultant dollar 860 million trade surplus compared with a dollar 334 million surplus in February and a dollar 1 billion surplus in March 1981.

After seasonal adjustments, the March surplus was cut to dollar 2.3 million.

CSO: 4120/248

ECONOMIC

1981 WHOLESALE PRICES SHOW SLIGHT INCREASE

OW130325 Tokyo KYODO in English 0247 GMT 13 Apr 82

[Text] Tokyo April 13 KYODO--The nation's wholesale prices in fiscal 1981 showed a mere 1.4 percent increase over the previous year on a monthly average in striking contrast to double-digit increases in the preceding two years, the Bank of Japan announced Tuesday.

The rise in fiscal 1981, ended March 31, compared with a 12.9 percent increase on a monthly average in Fiscal 1979 and a 13.3 percent rise in fiscal 1980, the Central Bank said.

The increase also fell short of the government's official wholesale price rise estimate of 1.8 percent, it added.

The bank also said the wholesale price index for March stood at 136.0 against 100 for 1975, up 3 percent from March 1981 and up 0.1 percent from the previous month.

The year-to-year increase was the steepest since a 3.9 percent rise in February last year.

By category, wholesale prices of domestically produced commodities declined 0.1 percent due to price falls in lumber, nonferrous metals, textile goods and chemical products.

But prices of export goods increased 0.9 percent from February and 8.6 percent from March last year. Likewise, prices of imported goods showed rises of 0.8 percent and 8.9 percent, respectively.

The bank attributed the increases in prices of export goods and imported commodities to the yen's depreciation against the U.S. dollar.

In fiscal 1981, prices of domestically produced commodities increased 0.4 percent on a monthly average over the previous year, those of export goods 5.3 percent and those of imported goods 5.9 percent.

The yen's exchange rate for the fiscal year stood at 227.70 to the dollar, down 4.8 percent from fiscal 1980, the bank said.

CSO: 4120/248

ECONOMIC

LOWER HOUSE GROUP OPPOSES EASING OF FARM IMPORTS

OW221245 Tokyo KYODO in English 1224 GMT 22 Apr 82

[Text] Tokyo, 22 Apr (KYODO)--In a move that could jeopardize a government plan to adopt a new import decontrol package by early May, the House of Representatives' Agriculture, Forestry and Fisheries Committee Thursday unanimously adopted a resolution opposing the liberalization of agricultural and fishery imports.

The adoption of the resolution, co-sponsored by committee members representing the ruling Liberal-Democratic Party and five opposition parties, came at the end of 2 days of intensive deliberation on the issue by the Lower House committee.

The action, observers said, poses a threat to a government plan to adopt a new market-opening package at a meeting of economic affairs ministers on 7 May in time for presentation to a ministerial meeting of the Organization for Economic Cooperation and Development (OECD) in Paris 10-11 May and seven-nation economic summit in Versailles in June.

Earlier in the day, four sub-groups of the Liberal-Democratic Party adopted a similar resolution at a special joint session. This followed a similar action earlier this month by an LDP group of parliamentarians representing fruit-growing and stock-breeding constituencies.

The resolution adopted by the Lower House committee called on the government to refrain from loosening restrictions on the import of agricultural and fishery products, because such action would inevitably deal a fatal blow to the related domestic industries.

The domestic agricultural and fishery industries are already in a "critical" state, due to such factors as the ongoing production adjustment, a prolonged slump in market prices and increasingly strict regulations on fishing operations, the resolution said.

Japan has been under pressure, mainly from the United States, to liberalize imports of agricultural and fishery products as a measure to rectify the current bilateral trade imbalance now heavily in Japan's favor.

Japan-U.S. trade was in Tokyo's favor last year by \$18 billion, according to official U.S. statistics.

Japan at present maintains import quotas on a total of 27 commodity items, including 22 agricultural and fishery products. The related government agencies are now studying the advisability of lifting curbs on some of these products for inclusion in the new market-opening package, which Prime Minister Zenko Suzuki hopes to present to the Versailles summit in a complete form.

But as a result of the adoption of resolutions opposing the import liberalization by both the Lower House committee and the four LDP sub-groups, it may now prove extremely difficult for the government to prepare such a complete package before the summit, the observers said.

After the adoption of the resolution by the Lower House committee, Chief Cabinet Secretary Kiichi Miyazawa indicated, however, that he still plans to continue studying the advisability of including the removal of curbs on some agricultural and fishery products in the new package. The resolution does not bind the government completely, he told a press conference.

But Kichiro Tazawa, minister of agriculture, forestry and fisheries, said he would do his best to prevent import liberalization in line with the resolution.

In related developments, the Central Union of Agricultural Cooperatives (ZENCHU), the farmers' lobbyist group, and the Consumers' Union of Japan separately expressed opposition to the decontrol of agricultural and fishery products.

ZENCHU published a report saying that Japan's trade friction with the United States and Europe should be resolved through a switch to economic policies aimed at expansion of domestic demand rather than through import liberalization.

The Consumers Union sent letters opposing the import decontrol to Prime Minister Suzuki, various agricultural organizations and political parties.

Meanwhile, William Barraclough, minister-counsellor for economic affairs at the U.S. Embassy in Tokyo, met with top Japanese agricultural officials to discuss the issue. At the meeting, Barraclough said the U.S. Government is demanding the complete liberalization of agricultural and fishery products by Japan.

The Japanese officials told him it is difficult for the Tokyo government to include liberalization of imports of agricultural and fishery products in the market-opening package.

CSO: 4120/254

ECONOMIC

LIBERALIZATION RHAPSODY FOR AGRICULTURAL, MARINE PRODUCTS MOUNTING

Tokyo SENTAKU in Japanese Mar 82 pp 72-73

[Text]

The liberalization of agricultural and marine products has finally started to show signs of developing into a concrete political problem, accompanying the over-heating of the Japan-US trade friction. The US, which is irritated at its large-scale trade deficit with Japan, is dissatisfied with the open-door measures, decided by Japan, such as the moving-up of the time for the lowering of tariffs by two years and the readjustment of non-tariff barriers (NTB's). It is launching a large-scale offensive, focusing on the liberalization of agricultural and marine products. This problem is now becoming a "task which cannot be side-stepped" (ITI Minister ABE).

However, the 22 agricultural and marine product items, which are regarded as the remaining import-restriction items, are all connected with "political brands" which have close and inseparable connections with the constituencies of LDP members. Moreover, big-name Diet members concerned differ, according to the item, and when it comes to the problem of particular measures as to with which item the proposed liberalization should start, it will inevitably cause a conflict of interests. Under the external pressure which is becoming stronger, the LDP is beginning to wobble, due to the rhapsody for the liberalization of agricultural products.

Kakuei Tanaka Putting Forth Compensation Argument

Whenever trade friction arose, the US used to thrust forth a request for the liberalization of agricultural and marine products at Japan. On each occasion, the Japanese side repeatedly made concessions. Only 22 items are thus left unliberalized.

These items may be generally classified into the following groups: "Meat and processed meat products" (two items), "dairy products" (three), "fruit and vegetables and processed products thereof" (six), "processed rice and wheat products" (two), "starch and sugar" (two), "local

agricultural products and seaweed" (three), "fish and shellfish" (three), and "others" (one). They are all agricultural and marine products "with a history," concerning which products the successive Cabinets have been continuing to shake their heads in opposition, though facing the United States' fierce offensive against Japan, from the stand that "at least they are sanctuaries to which we cannot set our hands."

This time, however, the situation has developed to such an extent that the problem cannot be settled through such a refusal. Secretary of Agriculture BLOCK, Deputy US Trade Representative MacDONALD, and others have made the following hard-line statement: "Japan should gradually liberalize all of its 22 non-liberalized agricultural and marine products. If this [request] is not accepted, then we will not desist even from submitting [the problem] to GATT." At the US Congress, moreover, moves have become more vigorous to secure Congressional passage of the "reciprocity" bills. Toward the LDP Diet Members Mission (headed by Masumi ESAKI) which visited the US toward the end of February, Senate Finance Committee Trade Problem Sub-Committee Chairman DANFORTH pressed for the liberalization of agricultural and marine products, as if in such a tone that this would be regarded as an ultimatum. It is probably no exaggeration to say that [the Japanese side] has been driven into a tight spot.

Under such circumstances, former Prime Minister TANAKA quickly outlined the [problem of] liberalizing agricultural and marine products. At a speech meeting held at the Prince Hotel in Shiba, Tokyo on January 13, he spoke on the subject of "Definition of the Position of Agriculture in the Japanese Archipelago-Remodeling Argument," for about 30 minutes. In this speech, he emphasized the "theory that liberalization is inevitable."

"I think that the liberalization of agricultural products will be unavoidable. In regard to the liberalization of agricultural products this time, the actual situation is not such that the problem will be settled if Japan only emphasizes its position. This is a serious matter. If meat is liberalized, then Japanese farm-households raising beef cattle will probably be unable to cope with the situation, and there is also the fear that hen-houses may collapse completely. But it must be carried out, in order to prevent the collapse of our country. With regard to farm-households, measures should be taken through the use of tax money, in order to enable them to maintain themselves."

In short, his logic is that compensation should be paid to the farm-households which will suffer injury, in exchange for the complete liberalization of agricultural and marine products. According to a survey conducted by the Agriculture-Forestry-Fisheries Ministry, the amount of a decrease in imports through the imposition of restrictions in the form of allocating quantitative quotas, instead of liberalizing the 22 items, will reach about \$300 million. In other words, this means that if the proposed liberalization is carried out, then the

Amount of imports will increase by about \$300 million, and also that even if complete compensation is to be offered, the situation will be settled if only tax money amounting to about ¥70 billion is spent. It seems to be possible to obtain funds amounting to ¥70 billion in the budget which is connected with agriculture and fisheries. The compensation argument can be said to be one way of thinking. But the proponent is the shadow leader of the "TANAKA group" which has as many as 109 members. Particularly because of this fact, the argument has caused strong repercussions within the LDP.

We want you to look at the attached list. It is a list of "political brands," which list shows connections between influential LDP Diet members and the remaining import-restriction items. It is quite clear that Prime Minister SUZUKI, who is said to be "Zenko of fisheries," and others have close and inseparable connections with special products indigenous to their respective constituencies. If the liberalization of special products in local areas is approved, it will undoubtedly have effects on the next elections. Even if the candidates concerned win in the elections, some doubts will be entertained about their "real capability." That is why the influential persons have put up opposition to the proposed liberalization. The typical case in point is the actions of former Prime Minister FUKUDA and Administrative Management Agency Director General NAKASONE, who have been making great efforts as to devil's-tongue roots, a product item indigenous to Gumma Prefecture, though it is pointed out that even if they are liberalized, they will hardly suffer any actual injury.

However, in Niigata Prefecture which is former Prime Minister TANAKA's constituency, there are no special products worth mentioning except for rice. The following conjectures are appearing: "This may mean that TANAKA, who is not attached with any strings, in regard to agricultural and marine products, has come to the forefront, in the field of policy." Also, the TANAKA statement emphasizes that compensation should be paid through the use of tax money. It is an argument calling for the protection of agriculture." Thus, a feeling of doubt is already spreading within the LDP.

Initial Explosive for Causing Serious Domestic Disturbance?

This is the only official statement by a faction leader. However, moves of the Diet members concerned have started to become more active. For example, the "Dietmen's League for Promoting the Livestock Industry" (Chairman: Sadanori YAMANAKA) and the "Dietmen's League for Promotion of Forestry" (Chairman: Tokutaro HIGAKI), which are both composed of prominent LDP members, immediately held an emergency joint conference on February 4, with about 150 Diet members attending. They adopted a resolution calling for "absolute opposition to the liberalization of T, oranges, and fruit juice," and submitted a request to Prime Minister SUZUKI.

List of Political Brands

Influential LDP Diet Member	Native Place	Remaining Import-Restriction Items Concerned
Prime Minister Zenko SUZUKI	Iwate	Herring, cod, yellowtail, scallops, cuttlefish, and scallop eyes
Former Prime Minister Takeo FUKUDA	Gumma	Devil's-tongue roots, laver, etc.
Secretary General Susumu NIKAIIDO	Kagoshima	Grape sugar and starch
ITI Minister Shintaro ABE	Yamaguchi	Oranges, tomato-juice, herring, scallops, cuttlefish, and scallop eyes
Science and Technology Agency Director General Ishiro NAKAGAWA	Hokkaido	Beef, milk-cream, grape sugar, starch, and beans and peas
Administrative Management Agency Director General Yasuhiko NAKASONE	Gumma	Devil's-tongue roots
Chief Cabinet Secretary Hiromi MIYAZAWA	Hiroshima	Oranges, fruit-juice, tomato-juice, and processed pineapple products
Agriculture-Forestry-Fisheries Minister Kinichi TAZAWA	Aomori	Oranges, fruit-juice, tomato-juice, herring, cod, and yellowtail
Taxation System Research Council Chairman Sadanori YAMANAKA	Kagoshima	Beef, processed pork products, milk-cream, and processed cheese
Former Agriculture-Forestry-Fisheries Minister Takao KAMEDOKA	Fukushima	Oranges, tomato-juice, tomato-catsup, puree, etc.
Former Agriculture-Forestry Department Chief Takami ETO	Miyazaki	Beef, processed pork products, milk-cream, and processed cheese
Lower House Communications Committee Chairman Ryoshi HIZUNO	Chiba	Peanuts
Fisheries Department Chief Fumio OKABE	Hokkaido	Herring, cod, yellowtail, scallops, cuttlefish, and scallop eyes
Former Agriculture-Forestry-Fisheries Minister Takao ADACHI	Shizuoka	Oranges, tomato-juice, tomato-catsup, puree, etc.
Upper House Steering Committee Chairman Tokutaro HIGAKI	Ehime	Oranges, tomato-juice, tomato-catsup, puree, etc.

Moreover, toward representatives of agricultural and fisheries organizations, who came to lodge petitions of opposition, Agriculture-Forestry-Fisheries Minister TAZAWA also repeatedly stated as follows: "Japan is the biggest permanent importer nation of agricultural products in the world. I absolutely cannot agree to any further opening of the market, because it will completely impair the agriculture of Japan." Especially in the case of the Minister who hails from Aomori Prefecture, the granting of an O.K. to the liberalization of oranges, etc., will inevitably invite sharp repulsion from apple-producing farm-households. It is even said that he is taking the posture of "desperately defending" the stand of not liberalizing fruit.

However, no matter what a fuss the agriculture-connected Diet members may make, the Foreign Ministry and MITI, which are the windows of negotiations with the US, are firming up their judgment that "now that the other party has proposed mutuality, [Japan] cannot but carry out some liberalization measures or other." In concrete terms, they plan to decide on international standards, in advance, to select the items to be liberalized, on this basis, and to secure the expansion of import quotas.

In that case, "screening" will be carried out as to what should be left unliberalized, and what should be liberalized, among the 22 items. What is troublesome in this connection is that political power different from the dynamics of factionalism will work, because political brands in each local area are already decided. Science and Technology Agency Director General NAKAGAWA, who exchanged words with US Special Trade Representative STRAUSS at the negotiations on the expansion of import quotas as to beef and fruit, when he was Agriculture-Forestry-Fisheries Minister, made even an ominous prediction, saying as follows: "A conclusion will probably be reached by this autumn at the earliest, and I feel that it will probably cause an unprecedentedly great disturbance. Concerning at least this problem, there are no persons who can form a judgment on a transcendental basis, and moreover, it cannot be settled completely through vertical actions by factions ... As former Prime Minister FUKUDA said, it may provide an initial explosive for causing a serious domestic disturbance."

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CSO: 4105/86

ECONOMIC

STRUCTURE OF JAPANESE AGRICULTURE DESCRIBED

Kyoto VOICE in Japanese Apr 82 pp 124-135

[Article by Yoshikazu Kano, Chief of the Research Department, National Economic Research Association: "Agriculture Can Become a High-Growth Industry"]

[Excerpts] There are three basic elements which contribute to making agriculture a high-growth industry. These are: 1. Research and development, i.e., production of improved plant varieties, improved cultivation methods, etc. 2. Human capital, i.e., well-educated farmers who are familiar with fertilization methods, soil management, etc., and 3. Infrastructure. Agricultural products can only be produced at low cost when farmers can combine their land, labor, capital and management skills efficiently to achieve optimum yields.

Japanese agriculture has quite a number of farmers who have acquired high technical and management skills, but they are only a small part of the nation's total farmers. Japanese agriculture can easily be expected to expand and grow as it has latent potential. As an advanced nation, Japan has accumulated a large amount of human capital. Most of the farmers' level of education is high; they have the capability to utilize new agricultural products and technology resulting from research and development. They have the ability to refurbish and consolidate the infrastructure of agricultural industry and have already started developing agribusinesses in some areas. "The time is right" to conduct reforms in order to achieve further improvement. Four stages of agricultural development can be employed for this purpose.

1. Markets

Due to the over supply of rice and milk products, prices remain unchanged while the cost of producing them rises steadily. Unless government policy can control and balance the supply and demand of rice and milk products, farmers who do not have innovative technological abilities will be forced out of farming. If a free competitive market determines the price of agricultural products, there will be a great deal of adjustment among farmers. This would result in a diminution of rice production causing severe competition among farmers to produce alternative products.

2. Land Use

There are many farmers who are getting old but are unable to find young successors to replace them. This trend plus lower costs of production will cause them to sell or lease their land to bigger landowners, accelerating the development of large-scale farming. In 1990, the most rice will be produced by farmers whose land holdings will exceed 10 hectares [14 acres].

3. Human Resources

The role of farmers should change a great deal after the competitive market system is adopted. For example, planting rice requires only a knowledge of growing crops. Under the government's protective policy, farmers do not need skills in managing or marketing products since the government purchases rice and fixes the price. Soon the responsibilities of farmers will be further extended to the business transactions of farm products as well as the management of farms. Change in the roles of farmers should attract young men who left farming for the big cities to return to demonstrate the managing and marketing skills they have learned in various companies or plants. At the same time, existing farmers can also educate themselves to become skilled managers when they have more experience in competitive markets.

4. Technology

Technological changes would occur following land reform in order to keep the cost of farming lower and to allow survival in competitive markets. At present, prices of domestic production are three to five times higher than international market prices, and domestic production is only possible under strict import quotas. By 1990, technological innovations in Japanese agriculture will be more readily available to reduce production costs.

Asahimura [village] in Ibaragi Prefecture is an example of where agribusiness has been successfully established. In Asahimura 70 percent of the population was engaged in agriculture as of 1975. The main products of the village are melons and sweet potatoes. Until these new products were introduced in the 70's, the village was very poor with few irrigated fields. The rest of the area consisted of dry fields which constantly suffered drought. The production of melons and sweet potatoes generated business in trucking, storing and material circulation. Individually owned farms were absorbed by large-scale farms through sale or lease, but many former farmers switched to agriculturally-related businesses. The population of the village remained at about the same level until 1970 and then increased. The income of some farmers increased to 10 million yen per year.

Another example is Tohakucho [town] in Tottori Prefecture. The town is known as a major producer of pears, but recently started raising broilers and doing livestock farming. It also created vertically integrated business operations in the processing and sale of meat. Employees at the Agricultural Cooperative

have increased from 12 in 1970 to 190 in 1982. The population engaged in agriculture decreased by one-third, from 6,450 in 1961 to 2,622 in 1981, although the total population of the town increased since 1976.

Should these four reforms be successful, some Japanese agricultural products could be exported. Among those items would be broilers, laying hens, pork, mandarin oranges, apples and rice. Although agricultural exports can never be expected to become a prime dollar earning industry, agriculture in Japan would benefit for the following reasons:

1. Prices of domestic products would approach international prices, and Japanese agriculture would not be destroyed, even if other countries had free access to the Japanese agricultural market.
2. The cost of protecting Japanese agriculture would be zero.
3. Farmers' morale could be sustained.

It will take a long time before Japanese agriculture becomes an export industry, and it is too early to remove import limitations and open the market to free trade. It will probably be necessary for the government to protect agriculture until Japan can compete internationally.

In agricultural protection, the government should emphasize policies concerning agricultural research and development and methods to lower the cost of production. Agriculture in Japan at present is considered a weak industry. Government protection for a limited period is necessary to make it an export industry in the future. Free trade is very important in Japan, and agricultural policy should be based upon the firm support of free trade.

Through four phases of reform, Japan will be able to enter the free competitive world market and to develop its agriculture.

CSO: 4105/97

EXPERIMENTAL TECHNOLOGY SATELLITE DESCRIBED

Tokyo KEISOKU TO SEIGYO in Japanese Vol 21, No 2, Feb 81 pp 73-74

[Article by the Space Development Division, Toshiba]

[Text] 1. Background and Purpose of Development

It has now been 10 years since Japan's first artificial satellite was launched, and this country's space development is finally approaching its day of practicality, while demands are increasing day by day for satellites of higher performance and greater size. The triaxial attitude control satellite will feature great advantages, such as paddles that open out, which will enable collection of large electric power as well as provide a large static platform with regard to the earth's surface; this should be particularly attractive for use in the large satellites and observation satellites of the future.

The Experimental Technology Satellite III (ETS-III) is the first in a series of experimental technology satellites whose development is being promoted by the Space Development Group, in which the major objective is the development of the triaxial attitude control technology so necessary for satellites that require a large power input. The goals will be not only the establishment of the technology for domestic production of triaxial satellites but also performance tests of four types of experimental equipment to be carried aboard. The mission has established the following objectives to this end:

- (1) Establishment of triaxial attitude control capability
- (2) Establishment of solar battery paddle opening capability
- (3) Establishment of active-type thermal control capability
- (4) Performance tests of experimental equipment to be carried aboard under space environment.

This satellite is expected to be launched, using an N-1 rocket, in the summer of FY82 from the Tanegashima Space Center to an altitude of about 1,000 km at an inclination of 45 degrees into a circular orbit.

2. Makeup of ETS-III

The ETS-III will be comprised of the basic equipment and experimental equipment carried aboard. The basic system includes the structural system, attitude control system, thermal control system, electric power system, telemetry system, and gas jet system.

The experimental equipment to be carried aboard includes a vidicon camera, a magnetic attitude control device, an active-type thermal control device, and an ion engine device. The external appearance and makeup are shown in Figure 1, and the principal functions of the constituent items are also given.

The satellite's construction is based along the lines of the bus satellite, in that a modular design in which the bus and mission equipment are separated will be adopted, and the gas jet system will be assembled as one of the modules. Each basic instrument will be designed with redundant systems in order to protect against single malfunctions, and the probability of functioning a year from launch will be set at 60 percent. The weight of the entire satellite will be about 385 kg.

3. Operation of ETS-III

The series of initial stage attitude capture, from the despin and paddle opening following separation from the rocket to the assumption of triaxial attitude stability, will all be conducted automatically by the digital attitude control circuit mounted on the satellite. When triaxial attitude control is first attained, the basic operation of the equipment carried aboard and orbital control capabilities will be established, following which the steady-state operation stage will be entered. During this interval a change in attitude of 180° about the yaw axis will be made about once a month, timed with the solar angle, and experimental operations will be conducted at the same time. During the daytime, the vidicon camera will be photographing the skies above Japan, while the ion engine facility will be conducting repeated beam jetting and long-term tests on the order of 100 hours. The active thermal control device will change the temperature condition through heaters while the magnetic attitude control will undergo unloading and removal of residual magnetism tests. The satellite operation will be controlled mainly from the Japanese tracking control station, and will receive aid from the NASA tracking stations should the need arise.

4. Course of Development

The basis for the placement of emphasis will be the policy of the work group on self-made design and domestic production and the fostering of domestic production technology, along with the effective technological introduction of triaxial satellite-related technology from the GE Company of the United States (attitude control system, design of the thermal control system, and part of the electric power system, system testing, transport technology, etc.), so as to enable the early establishment of the triaxial satellite technology and hasten the development of ETS-III.

The conceptual plan was initiated in FY73 and the system concept of the satellite was fixed, after which a preliminary design, from which the basic design specifications were determined, was drawn up from FY75 through FY76.

The real experimental phase followed next. Toshiba was selected as the prime contractor, while the GE Company of the United States (attitude control system, thermal control system, one portion of the various electric power system, paddle drive device) and domestic manufacturers such as Mitsubishi Electric (a portion of the telemetry equipment, experimental active type thermal control system, ion engine main body), Nippon Electric (Co) (magnetic attitude control device), and Ishikawajima-Harima Heavy Industries (Co) (gas jet system, supply items) were selected for participation. Basic design was started in FY77 and detailed design in FY78, with the designs being accepted at the end of FY80. Test production of a prototype model was started, and this model was subjected to various severe environmental tests at the large test facility at the Tsukuba Space Center of the work group; these acceptance tests on the prototype model were completed in December 1975. Test production of a flight model has been completed, and tests are expected to be completed in April 1982. This craft will then be shipped to the Tanegashima Space Center, coupled to the rocket, examined, and then launched. A photograph of the completed satellite and a conceptual diagram of the craft in orbit are shown on the cover.

5. Related Technology Development

This company received the order from the Space Development Work Group, while GE Company was appointed the first subcontractor. The static experimental-use broadcast satellite which was produced ended its orbital mission in May 1981 as expected, and important data relative to experimental broadcasting and triaxial attitude control satellite were collected in this period.

These results are presently being reviewed while production of the Broadcast Satellite 2 (BS-2) is under way, again by this company and GE. In addition, a paddle system for the Marine Observation Satellite 1 (MOS-1), which will be an orbital satellite using triaxial attitude control, various sensors for the Scientific Satellite of the Space Science Laboratory, and a plasma generator for the space shuttle (SEPAC) are other projects which this company has undertaken; [thus] its efforts are spread over a wide area.

Following the basic policy of domestic production based on this country's technology, the research experience with the ETS-III has become a stepping-stone to the development of related technology within this company, and this is being promoted. Where attitude control electronics, which is a key component of triaxial attitude control technology, is concerned, basic technological development applicable to future satellite missions has been realized, and developments in the structural system and electric power system have taken place which, together with the integration of satellite technology accumulated from the ETS-III and the Broadcast Satellite, are developing a system that should readily be able to respond to the demands of Japan's future satellite development.

(Received 15 December 1981)

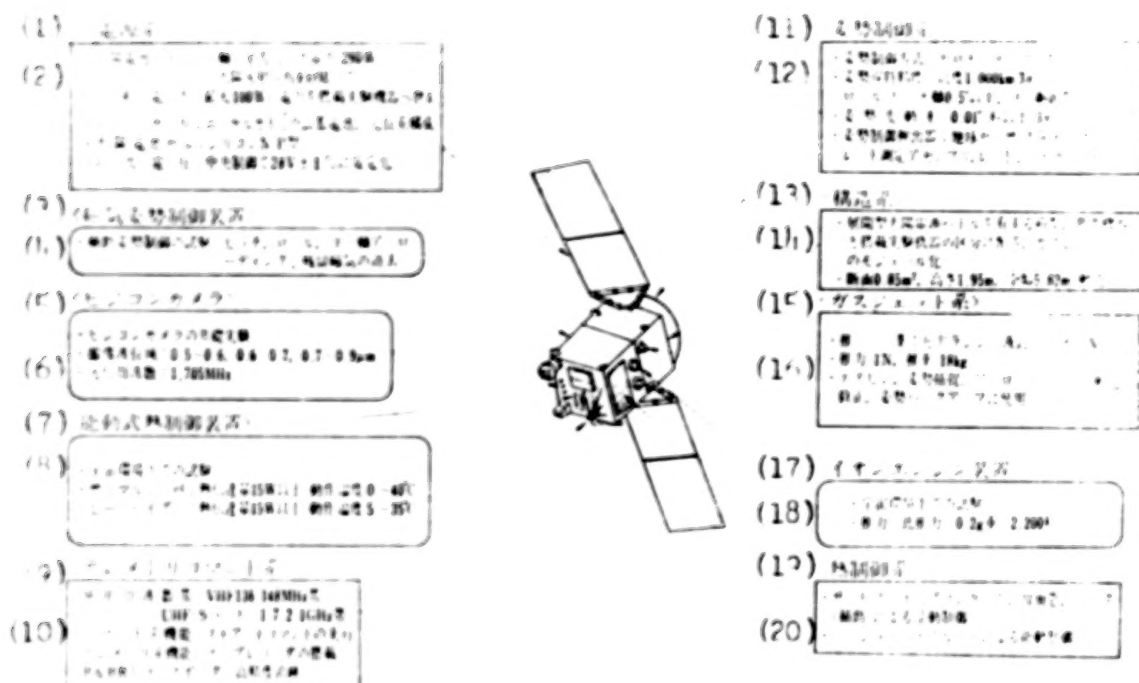


Figure 1. External Appearance and Makeup of ETS-III

Key:

1. Electric power system
2. Solar battery paddle: uniaxial tracking type bus power 290 W (for EOM normal to solar rays)
Power supplied: maximum 100 W power supplied to the equipment carried aboard
Battery: nickel-cadmium storage battery, redundant system construction
Solar battery cell: silicon N/P type
Bus voltage: central control system of 28 V and 1 percent stability
3. Magnetic attitude control device
4. Supplementary attitude control tests: pitch, roll, yaw axis unloading, removal of residual magnetism
5. Vidicon camera
6. Basic tests on vidicon camera
Photographic wavelength region: 0.5-0.6, 0.6-0.7, 0.7-0.9 μm
Transmission frequency: 1,705 MHz
7. Active type thermal control device
8. Tests under space conditions
Thermal louver: thermal conduction flux greater than 15 W, operating temperature 0-40°C
Heat pipe: thermal conduction flux greater than 15 W, operating temperature 5-35°C

[Key continued on following page]

9. Telemetry command system
10. Frequency band used: VHF 136/148 MHz band, UHF (S band) 1.7/2.1 GHz band
Command system capability: execution of stored commands
Telemetry system capability: tape recorder carried aboard
R and RR transponder: high-precision tracking
11. Attitude control system
12. Attitude control mode: zero momentum mode
Attitude retention precision: (3 σ at 1,000 km altitude)
Roll/pitch axis: 0.5° or less, yaw axis: 0.7° or less
Attitude variation rate: 0.01°/sec or less (3 σ value)
Attitude control detector: earth sensor (solar sensor)
Rate measurement assembly, rate gyro package
13. Structural system
14. Box type with solar battery panels which open out, basic equipment and payload experimental equipment compartmentalized, gas jet system modularized
Cross-sectional area: 0.85 m², height: 1.95 m, overall width: 0.82 m (in orbit)
15. Gas jet system
16. Propellant: hydrazine liquid (pressurizing gas N₂)
Thrust: 1 N, Propellant weight: 18 kg
Despin, attitude capture, unloading, orbital correction, attitude backup use
17. Ion engine device
18. Thrust/specific thrust: 0.2 kg weight/2,200 sec
19. Thermal control system
20. Service bay: blanket, open window, heater (auxiliary) type passive control
21. Mission bay: active control using louvers

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SCIENCE AND TECHNOLOGY

BRIEFS

HITACHI TRANSLATION SYSTEM--Tokyo, April 13 KYODO--Hitachi Ltd said Tuesday it had developed a computerized system to translate technical English materials into Japanese which would get passing grades in high school. A company spokesman said the "M180" computer prints out translations based on 10,000 English and Japanese words in its memory bank. The system can translate a sentence of up to 190 words in 30 to 40 seconds, with the result getting a 60 to 70 percent mark from a typical high school English teacher, the spokesman said. Similar techniques are being developed by other computer makers, such as Fujitsu and Nippon Electric Ltd, as well as Kyoto and Kyushu universities. At present, only Canada's atmospheric environment service is using a computerized system to translate weather data from English to French. But the spokesman said the latest development is the first step toward the availability of automatic translation machines for technical documents and brochures. [Text] [OW130327 Tokyo KYODO in English 0315 GMT 13 Apr 82]

JAPAN-FRANCE SCIENCE, TECHNOLOGY FORUM--Tokyo, April 17 KYODO--A Japanese-French national assemblymen's forum was inaugurated here Saturday to promote cooperation in science and technology between the two countries. The forum was created through arrangements by Taro Nakayama, a Liberal-Democratic member of the House of Councillors, and Jean-Pierre Chevenement, French minister of research and technology who is here visiting with French President Francois Mitterrand. During the current visit here, the French President repeatedly stressed the need for increased scientific and technological cooperation between the two countries. According to sources close to the new forum, the first meeting of the forum will be held in Tokyo or Paris in September. Japanese delegates to the forum will be 12 suprapartisan members from both of the Diet houses, including Nakayama, while 14 French national assemblymen and senators will join it. [Text] [OW171135 Tokyo KYODO in English 1126 GMT 17 Apr 82]

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